



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting February 26, 2019

DATE: February 15, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Scott Carnahan, Assistant Fire Chief Operations
Randy Krause, Fire Chief

SUBJECT: Procurement of two fire engines and a rapid response vehicle (CIP #C800979)

Amount of this request: \$ 2,200,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a procurement contract for two fire engines and a rapid response vehicle at a cost of \$2,200,000 including equipment, delivery, and taxes.

EXECUTIVE SUMMARY

This procurement will accomplish two goals:

- 1) Establish an agreement that will include an option to be exercised in the next five years for one additional replacement apparatus. This additional apparatus will replace an aging apparatus that must be taken out of service within the next five years. Purchase of the additional apparatus will be contingent on negotiation of a fair and reasonable price and future authorization.
- 2) Add an additional engine to the existing Port of Seattle Fire Department fleet, bringing the total to two front-line engines allowing for better coverage of our growing all-hazard response needs as identified by the Washington Survey and Rating Bureau.
- 3) Replace our current reserve engine and two aid units; all three vehicles are at or past their service life.

The cost for this procurement is included in the 2019-2023 capital budget and plan of finance.

JUSTIFICATION

As Sea-Tac Airport grows, there is an increase in demand to provide emergency services. The addition of two fire engines and a rapid response vehicle will provide an updated and more modernized structure of the fleet so we can continue to provide high quality services.

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Our current fleet includes three primary apparatuses that are past their identified service life. Due to their age and use they are now experiencing unacceptably high out-of-service times due to maintenance demands or emergency repairs. Each of the two aid units have over 350,000 miles. The frontline engine should be in reserve status due to its age, and it is frequently out of service due to maintenance issues. Our current reserve engine is 26 years old and was deemed an unreliable option by the Washington State Survey and Rating Bureau.

DETAILS

With this purchase we will be able to update our fleet with apparatuses that also meet all current EPA environmental standards and laws. The two engines are designed to be smaller, more fuel-efficient vehicles that will have modern technology such as onboard fire extinguishing foam monitoring systems so that we can test our units without introducing foam into the environment.

Both engines would immediately go into service as frontline vehicles and ensure that we have continuous fire coverage during multiple emergency responses. The new rapid response vehicle will be a small, more fuel-efficient vehicle similar in size to a pickup truck. This vehicle would carry two personnel who would be the primary response to basic medical aid calls, which constitutes a large portion of our medical responses. In addition, they would also carry a small water tank and bundle of hose to be able to access the parking garage in case of a fire. Our current larger vehicles do not have this needed capability.

We are seeking to resolve several issues with this purchase:

- It will reduce the risk of vehicles being out of service due to repairs and our ballooning maintenance expenses.
- The purchase will provide us with vehicles that have more advanced operational tools, run more cleanly, and function with less impact to the environment.
- With the inclusion of a rapid response vehicle, we will be able to respond to a large number of our calls with a physically smaller, less environmentally impactful vehicle that will have the added benefit of gaining access to areas which are currently inaccessible in an engine.

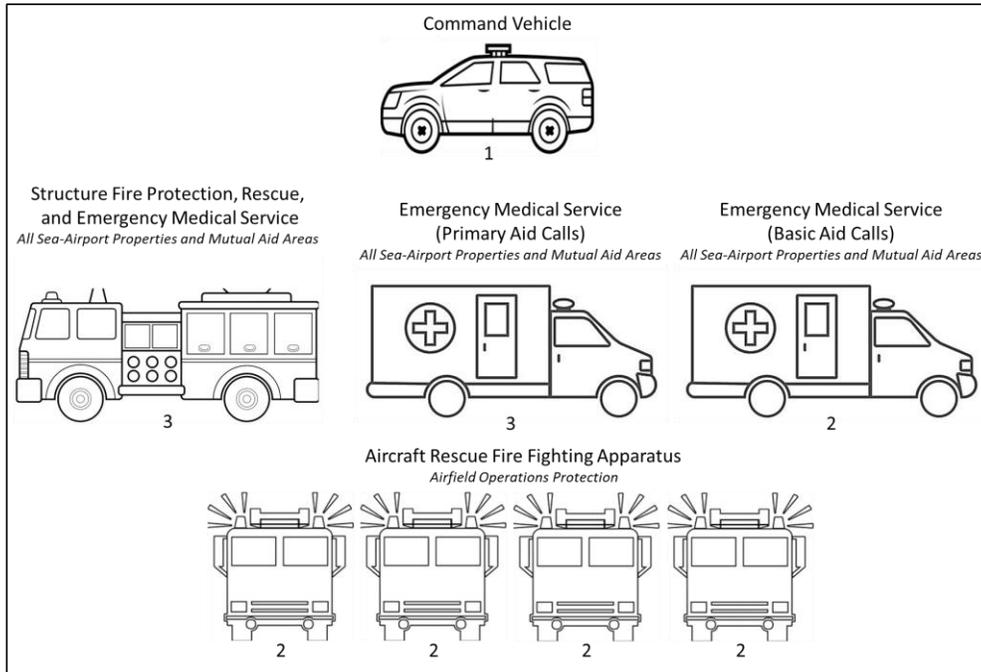
All of this will assure we continue to provide the emergency services required by the FAA and National Fire Protection Agency guidelines at the highest of levels for the Port of Seattle and the public we serve.

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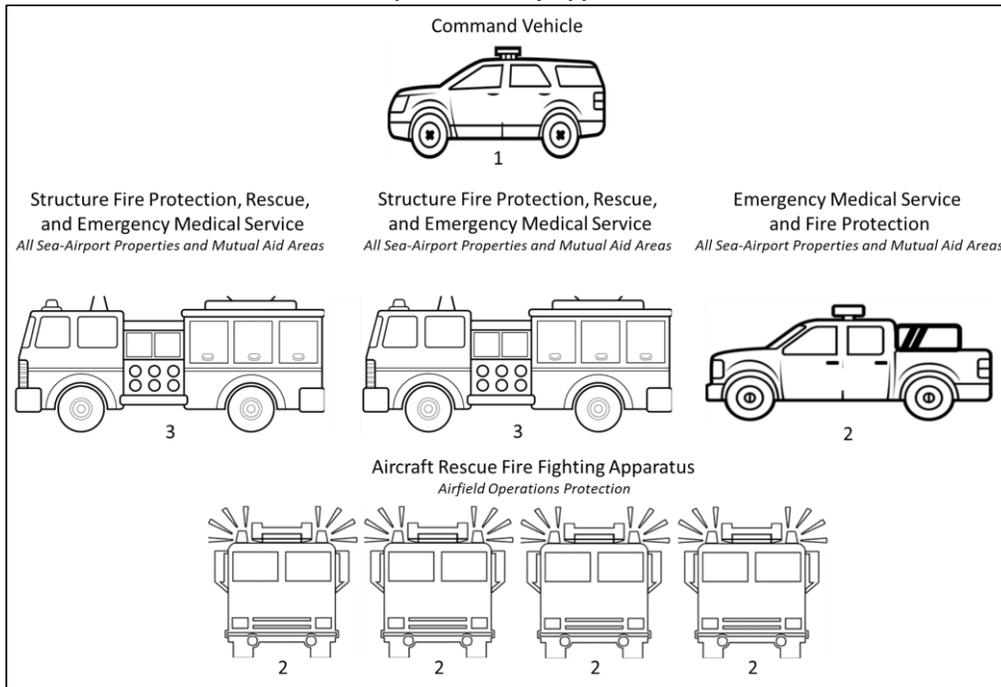
Current Primary Apparatus vs. Proposed Primary Apparatus

Please note the adjustment does not impact the firefighter FTEs. Numbers below vehicles indicate personnel.

Current Primary Apparatus



Proposed Primary Apparatus



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Scope of Work

- Purchase two engines and a rapid response vehicle at a cost of \$2,200,000.
- Intend to follow Port procedure to surplus old vehicles, and explore the option of donating vehicles to impoverished country/agency.

Schedule

Purchase to be executed in 2019.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay purchase

Delaying even one year creates a greater risk as this option would continue to put us in a position to address continued breakdowns associated with aging vehicles as noted in the justification section of this memo.

Cost Implications: \$2.2 million

Pros:

- (1) \$0 capital now

Cons:

- (1) \$2.2 million plus escalation in near term (must eventually make purchase).
- (2) Increasing risk of not being able to meet NFPA and Washington State Survey and Rating requirements due to vehicle out of service times.
- (3) Not being able to effectively provide fire protection services due to an increasing call volume which is taking the apparatus out of service for other calls.

This is **not** the recommended alternative.

Alternative 2 – Purchase only one type-one engine and delay the additional purchase to 2020

Cost Implications: \$1.2 million now. \$1 million in 2020, plus estimated increase of equipment costs of 10% per year. Increasing cost to maintain current apparatus.

Pros:

- (1) \$1.2 million capital now.
- (2) Provides some benefit as it will allow us to replace our oldest engine only.
- (3) This option provides us to a more reliable reserve engine.

Cons:

- (1) Remaining \$1 million plus escalation in near term.
- (2) Does not allow us to solve current and upcoming challenges of replacing our aging fleet in a reasonable timeframe.
- (3) Increases maintenance needs beyond the 15-year life expectancy, this option increases risk to safety and down time due to maintenance by continuing to use a 23-year-old vehicle that is eight years past its service life.

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- (4) Does not allow for the increase in fire protection capability as noted by the Washington State Survey and Rating Bureau.

This is **not** the recommended alternative.

Alternative 3 – Purchase two type-one fire engines and rapid response vehicle in 2019

Cost Implications: \$2.2 million now.

Pros:

- (1) The purchase of two engines will allow us to correct two shortfalls noted by the Washington State Survey and Rating Bureau.
 - a. Not having sufficient Engines to meet coverage area needs.
 - b. Not having a serviceable reserve engine.
- (2) Provide reliable fire protection services to the airport with a growing call volume.
- (3) Provides enhanced capabilities to meet Washington State Laws regarding “2 in 2 out” mandates.

Cons:

- (1) These funds could be utilized for other purposes.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

This acquisition was included in the 2019-2023 capital budget and plan of finance. The vehicles will be funded with the Airport Development Fund or revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$2,200,000
Business Unit (BU)	Fire (mostly allocated to Terminal and Airfield)
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01 in 2020.

Future Revenues and Expenses (Total cost of ownership)

We anticipate future operation and maintenance costs will be less than we are currently incurring.

ATTACHMENTS TO THIS REQUEST

None

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None